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Are Your Implants Insured?

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Photography by Hannah Khymych

Plastic surgery: What could go wrong? CosmetAssure thanks you for asking. A number of complications can occur as a result of plastic surgery, and CosmetAssure recognizes 15 of them.

For instance, it's not uncommon for the skin around a surgical site to bubble after liposuction, a tummy tuck, or breast reconstruction; the result of serous fluid—benign, colorless, found in our body cavities—pooling. Sometimes this fluid is naturally reabsorbed; sometimes it results in a serious infection, a feverish feeling, a trip to the hospital, a bill for \$10,000 that covers the luxury of having infected fluid drained from your wherever. Or you can just pay a few hundred bucks up front for the luxury of not having to spiral through worst-case financial scenarios.

Complications, or medical events that occur as a direct result of surgical intervention, happen in just under 1% of plastic surgery procedures performed in the United States, according to data collated by the American Society of Plastic Surgeons (ASPS) between 1997 and 2017. In other words, if 1.5 million people get something done in a plastic surgeon's office this year, as many as 150,000 could encounter a freak reaction as small as a fluid pool or as serious as a heart attack. These reactions will cost them, in more ways than one: A number of recent studies, mostly focusing on complications treated in the US resulting from procedures abroad, put the possible financial burden anywhere between \$10,000 and \$150,000.

"Most major insurance providers have a line in their policy that says, 'If you choose to have out-of-pocket surgery and then you have complications, we are not responsible for those financial costs,'" explains Chris Pannucci, MD, MS, a board-certified plastic surgeon at Plastic Surgery Northwest in Spokane. "Sometimes there is some leeway, but there's no guarantee. And that's precisely where a cosmetic surgery insurance program becomes relevant."

Dr. Pannucci is one of just under 1,000 surgeons in the United States who offer complication insurance with CosmetAssure. From when a procedure occurs to 45 days thereafter, CosmetAssure will cover complication costs for inpatient or outpatient services, ambulance rides, follow-ups, laboratory tests to rule out deep vein thrombosis, or other related expenses. Since its incorporation in 2003, CosmetAssure has covered some \$30 million in claims, according to Amy Fuqua, a program director with the company.

If you are planning to, say, get breast implants, you cannot call CosmetAssure and purchase coverage yourself. CosmetAssure is available only to board-certified plastic surgeons who are also members of the American Society of Plastic Surgeons or the Aesthetic Society. Surgeons enrolled in CosmetAssure automatically insure all of their patients and every procedure. The cost usually nets out to between \$100 and \$300, a line item on your surgical check. In turn, the premium owed by the surgeon is calculated by the type and quantity of procedures performed in a month, which are themselves categorized by insurance providers as standard or non-standard.

“Why they chose that wording, I have no idea,” Fuqua says. “Non-standard” procedures—tummy tucks and body lifts—carry a higher premium than “standard” ones like lipo or facelifts, because they have a higher rate of complication. Abdominoplasties, or tummy tucks, carry the greatest statistical risk—about four times the complication rate of other procedures, at four percent.

What CosmetAssure does not cover include revision surgeries—even those directly caused by a complication—nor dissatisfaction. You can argue that your facelift scar is bigger than you thought it would be until you’re blue in the facelift scar, but insurance is unlikely to care. The capital-A Assurance the company provides comes not from knowing that your self-investment is *completely* protected but that, in the event of a catastrophic bodily reaction within a month and a half of your procedure, you probably won’t pay as much money as you otherwise would. And isn’t that comforting?

CosmetAssure was conceived in Birmingham, Alabama, by the plastic surgeon James Grotting and an attorney named James Sedgwick, who was the general counsel and then president of the United Investors Life Insurance Company until he retired in 1998. Grotting had been trying for years to solve a critical lack of insurance coverage for plastic surgery complications. A patient of his had a successful procedure, but developed a cardiac arrhythmia during her recovery. “I found myself in the hospital administrator’s office, asking him to please write off the huge unanticipated cost associated with monitoring, even for one night in the cardiac intensive care unit,” Dr. Grotting says.

He and Sedgwick came up with a program that they shopped around to insurance agencies. It was a tough sell but in 2003 they were finally able to secure American International Group as their underwriter, and Palomar Insurance as their broker. In 2016, a feeling of stagnancy prompted Grotting and Sedgwick to change brokers, and CosmetAssure moved beneath the umbrella of USI, one of the world’s largest brokerages. They negotiated a separation, but Palomar held on to CosmetAssure’s skeleton—its website, its policies—and created a competitive product, Aesthetisure. “This was unfortunate, from our standpoint, as we felt that it was against the spirit of the separation,” Dr. Grotting says, but there was no legal precedent to fight it. Like CosmetAssure, Aesthetisure insures providers, not specific patients or procedures. Unlike CosmetAssure, it’s available to surgeons who practice outside either Society, and is a much smaller program, enrolling about 100 surgeons nationwide.

“As long as you’re board-certified in a field of surgery that is cosmetic or aesthetic or plastic in nature, we will provide you coverage,” says Sonya Berryman, an executive vice president at Palomar Insurance Corporation, Aesthetisure’s parent company. The cost comes out to either \$139 or \$217 depending on the procedure, which is passed on directly to the patient, who pays the physician, who pays back Aesthetisure.

Complication insurance is marketed as little more than a balm for nervous patients, but a selling point for practices. “Plastic surgery has become very commonplace, and there’s a lot of competition to get those patients into your practice,” Berryman sagely notes. “This is just an additional tool that you have.”

The American Society of Plastic Surgeons has endorsed CosmetAssure since 2004, and last year the insurance provider sponsored the Society’s 2023 Procedural Statistics Report. “ASPS chooses [to partner with] products that will enhance the physician’s practice and support patients in their plastic surgery journey,” says **Steven Williams, MD**, a board-certified plastic and reconstructive surgeon and the president of ASPS. “Complication insurance is one of those products.”

Because the vast majority of complications occur about a month after the procedure, complication coverage lasts 45 days starting the day you leave the operating room. One exception is a complication called capsular contracture, which occurs when tough scar tissue forms around a breast implant; these cases are slower to develop, and are covered for 18 months following breast augmentation surgery. With the latest silicone-gel implants used in the majority of American breast augmentations, the risk of capsular contracture is between about 12 and 19 percent at 10 years. Complication insurance will cover costs related to the removal of the breast implant if a capsular contracture is diagnosed within that first year and a half (and operated on within two years) but is yet unable to cover a revisional surgery. “Our goal is to cover revisional,” Fuqua says of these particular cases. “We’re just in the process of trying to figure out what that risk really looks like.”

Dr. Pannucci’s Spokane practice specializes in breast and body, but the doctor has also devoted decades of research to studying vascular complications from plastic surgery like blood clots and deep vein thrombosis. “Complications can range,” he says, “from a wound healing problem that requires extra office visits to an infection that requires surgery to a life-threatening heart attack.”

The vast majority of board-certified plastic surgeons in the country are members of the ASPS—around 92%, according to the Society. But less than a tenth of ASPS members offer CosmetAssure, or any other form of complication insurance.

“We don’t use it,” says David Shafer, MD, a board-certified plastic surgeon in New York City, referring to his namesake clinic on Fifth Avenue. “It sounds good on the surface, right? But there are a couple of issues with it.” The first is the introduction of a third party into a process that, in theory, should stay between patient and physician. The Shafer Clinic wouldn’t charge a patient who needed to come back in for “a little complication or tweak,” says Dr. Shafer, adding that such distinctions are made on a case-by-case basis. “It’s just part of our customer service.”

The second is the program’s maximums, which Dr. Shafer contends may be tuned to market prices in the Midwest but “doesn’t come close to covering” the cost of treating complications in America’s more expensive corridors.

Much of CosmetAssure's coverage—for things like ambulance transport (up to \$2,000) or emergency room triage (up to \$3,500)—seems to cover all or most of those average costs even in New York City, for a (compulsory) few hundred dollars. The cost may be nominal to patients, but it adds up for participating physicians, whose premiums are calculated based on every procedure they perform, not just the relatively complicated ones.

Some specific procedures come with their own built-in insurance, like breast implants (whose manufacturers cover ruptures or deflations), CoolSculpting (in the event of paradoxical hyperplasia, an accidental swelling of fat that befell Linda Evangelista in 2015 and which Allergan will cover the costs of treating), and mastectomies (required by federal law since 1998 to be insurance-billable). But every physician will have either their own insurance program or policies. Always clarify these with your plastic surgeon, and clarify what might happen in the event of, say, an infected seroma. Some, like Dr. Shafer, will cover associated costs or waive other ones.

"Just from my own perspective, it didn't seem worth upping all the patients' charges and having to have those conversations when it's such an infrequent thing to need," Dr. Shafer says.

Otherwise, for those considering a nip or a tuck or a lift, the options outside of complication insurance are to 1) possess enough wealth to be prepared for a sudden expensive health consequence, or 2) pray you are not one of the 1% that has one.

"The third option that maybe no one has shared with you is to sue the physician," Berryman offers. "We try to mitigate that."

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